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DESIGNATION OF A PERMANENT SECRETARIAT AND ARRANGEMENTS FOR ITS FUNCTIONING: FINANCIAL RULES OF THE CONFERENCE OF THE PARTIES AND OF ITS SUBSIDIARY BODIES

Financial procedures for the Conference of the Parties to the United Nations Framework Convention on Climate Change, its subsidiary bodies and its permanent secretariat

Proposal submitted by the Chairman

1. These procedures shall govern the financial administration of the Conference of the Parties to the United Nations Framework Convention on Climate Change, its subsidiary bodies and its permanent secretariat. In so far as not specifically provided under these procedures, the Financial Regulations and Rules of [the host organization] shall apply.

2. The financial period shall be a biennium, of which the first year shall be an even year.

The budget

3. The head of the Convention secretariat shall prepare the administrative budget for the following biennium, and shall dispatch it to all Parties to the Convention at least 90 days before the opening of the ordinary session of the Conference of the Parties at which the budget is to be adopted.

4. The Conference of the Parties shall consider the proposed budget, and shall adopt a budget by consensus prior to the commencement of the financial period that it covers.

5. Adoption of the budget by the Conference of the Parties shall constitute authority to the head of the Convention secretariat to incur obligations and make payments for the purposes for which the appropriations were approved and up to the amounts so approved, provided always that, unless specifically authorized by the Conference of the Parties, commitments are covered by related income.

6. The head of the Convention secretariat may make transfers within each of the main appropriation lines of the approved budget. He may also make transfers between such appropriation lines up to such limits as the Conference of the Parties may set from time to time.

Contributions

7. The resources of the Conference of the Parties shall comprise:

(a) Contributions made each year by Parties on the basis of an indicative scale, adopted by consensus by the Conference of the Parties, and based on such a scale of assessments of the United Nations as may be adopted from time to time by the General Assembly, adjusted so as to ensure that no Party contributes less than 0.01 per cent of the total; that no one contribution exceeds 25 per cent of the total; and that no contribution from a least developed country Party exceeds 0.01 per cent of the total;

(b) Voluntary contributions made by Parties in addition to those under (a) above;

(c) Other voluntary contributions, including contributions to support the participation of the representatives of developing countries Parties and of other Parties with economies in transition in the Conference of the Parties and its subsidiary bodies;

(d) The uncommitted balance of appropriations from previous financial periods;

(e) Miscellaneous income.

8. In respect of contributions under 7 (a) above:

(a) Each Party shall, prior to 1 January of each year, inform the head of the Convention secretariat of the contribution it intends to make that year and of the projected timing of that contribution;

(b) Contributions shall be due on 1 January of each calendar year.

9. Contributions under 7 (b) and (c) above shall be used in accordance with such terms and conditions, consistent with the objectives of the Convention, as may be agreed by the head of the Convention secretariat and the contributor.

10. All contributions shall be paid in convertible currencies into a bank account to be designated by [the head of the host organization] in consultation with the head of the Convention secretariat.

11. The head of the Convention secretariat shall acknowledge promptly all pledges and contributions and shall inform the Parties, at least twice a year, of the status of pledges and payments of contributions.

12. Contributions not immediately required shall be invested at the discretion of the [head of the host organization], and the resulting income shall be credited to the related Trust Fund.

Funds

13. A fund shall be established by [the head of the host organization] and managed by the head of the Convention secretariat. All resources of the Conference of the Parties under 7 (a), (b), (d) and (e) above shall be credited to the fund, and all expenditures under 5 above shall be charged to the fund.

14. Within the fund there shall be maintained a working capital reserve at a level to be determined from time to time by the Conference of the Parties by consensus. The purpose of the working capital reserve shall be to ensure continuity of operations in the event of a temporary shortfall of cash. Drawdowns from the working capital reserve shall be restored from contributions as soon as possible.

15. A special fund shall be established by [the head of the host organization] and managed by the head of the Convention secretariat. This fund shall receive voluntary contributions, under 7 (c) above, to support the participation of the representatives of developing-country Parties, in particular those that are least developed countries or small island developing countries, and of other Parties with economies in transition in the Conference of the Parties and its subsidiary bodies.

16. Subject to the approval of the Conference of the Parties, [the head of the host organization] may establish other trust funds, provided that they are consistent with the objectives of the Convention.

17. Should a fund established under 15 and 16 above result in additional liability to the core administrative budget, that liability must be quantified and approved in advance by the Conference of the Parties.

Accounts and audit

18. The accounts and financial management of all funds governed by these financial procedures shall be subject to the internal and external audit process [of the host organization].

19. An interim statement of accounts for the first year of the financial period shall be provided to the Conference of the Parties during the second year of the period, and a final audited statement of accounts for the full financial period shall be provided to the Conference of the Parties as soon as possible after the accounts for the financial period are closed.

Reimbursement to the host organization

20. The Conference of the Parties shall reimburse [the host organization] for services provided by that organization to the Conference of the Parties and its secretariat, at such rates as may from time to time be agreed upon for that purpose by both organizations.

General provisions

21. In the event that the Conference of the Parties decides to terminate a trust fund established under these procedures, it shall so advise the [head of the host organization] at least six months before the date of termination so decided. The Conference of the Parties shall decide, in consultation with the [head of the host organization], on the distribution of any uncommitted balance after all liquidation expenses have been met.

22. Any amendments to these procedures shall be adopted by the Conference of the Parties by consensus.